

# Evergreen Solar files for bankruptcy

Facing brutal price competition on solar panels, Evergreen Solar is restructuring around its proprietary solar cell manufacturing process.

by **Martin LaMonica** August 15, 2011 2:06 PM PDT

Massachusetts-based Evergreen Solar today filed for bankruptcy protection, following a month-long sales decline of its solar panel business.

The company, which received millions of dollars in state aid, said it intends to sell off assets of the company, including its proprietary solar cell manufacturing process. As part of the reorganization, Evergreen Solar will lay off 65 people, which will include the closure of a facility in Michigan.

The chapter 11 bankruptcy filing is part of the company's efforts to reorganize its business around making silicon wafers that are converted into solar cells and fitted into solar panels. Global competition, particularly providers from China, have forced **rapid price declines in solar modules, or panels**

, over the past few years.

"Since January, Evergreen Solar has been aggressively repositioning itself to fully leverage the potential our String Ribbon wafers can bring to high-volume solar cell and module manufacturers as these customers are facing severe pressure to further reduce their total cost of manufacturing and particularly their wafer supply costs," CEO Michael El-Hillow said in a **statement** today.





Evergreen Solar panels installed at Boston's Logan Airport.

(Credit: Broadway Electrical)

In January, Evergreen Solar **shut down a panel manufacturing plant** in Devens, Mass., which resulted in 800 lost jobs. The state is trying to recuperate part of the \$58 million in state aid that was made available to the company, which state officials had touted as a promising clean-energy company worthy of state aid.

Evergreen Solar's wafer manufacturing process uses less silicon, a method for saving money. But the company's technology advantage has not been enough to fight off a crowded field of solar cell and panel manufacturers. In May, it reported a steep decline in sales and megawatts shipped, but only a slight decline in its cost per watt.

"It costs \$1.10 per watt in China to make a solar panel. That same exact process costs \$1.80 here in the U.S. That's a 60 percent difference, and that's too big," GTM Research

analyst Brett Prior told **Reuters**.

Evergreen Solar said that the intellectual property associated with its String Ribbon wafer process could be sold off as part of the bankruptcy. But because its process is unique, that intellectual property would only be valuable to a company willing to invest in it further to ramp up, Prior told Reuters.